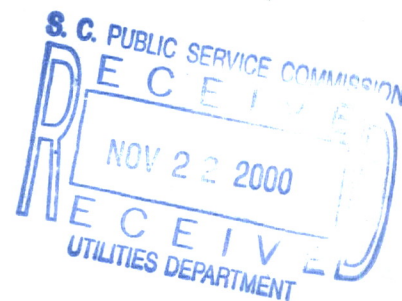


ORIGINAL

Certification of

***AM-TEL
South Carolina, LLC***

Docket No. 2000-457-C



***Testimony of
Eddie Coates
Utilities Department***

Public Service Commission of South Carolina

TESTIMONY OF EDDIE COATES
FOR
THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
DOCKET NO. 2000-457-C
IN RE: AM-TEL SOUTH CAROLINA, LLC

Q. WOULD YOU PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND OCCUPATION?

A. Eddie Coates, 101 Executive Center Drive, Columbia, South Carolina. I am employed by The Public Service Commission of South Carolina, in the Utilities Department, as a Rates Analyst.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS MATTER?

A. The purpose of my testimony is to present to the Commission the findings of the Utilities Department with respect to Staff's review of the Application of AM-TEL South Carolina, LLC. for a Certificate of Public Convenience and Necessity to provide local exchange services in South Carolina.

Q. WOULD YOU PLEASE PROVIDE A SUMMARY OF YOUR FINDINGS?

A. Yes. Attached to my testimony is a summary of the Utilities Department Review and Recommendations concerning AM-TEL South Carolina, LLC.'s Application. This summary has been designated as Exhibit EC-1. Staff's review of this Application was principally an analysis of AM-TEL South Carolina, LLC.'s proposed tariff. The Company's proposed tariff was attached to the Company's Application and designated as Exhibit G. The purpose of Staff's review is to ensure that the tariff complies with the Commission's Regulations, Policies, and Orders. My Exhibit EC-1 summarizes various tariff exceptions noted by Staff and Staff's recommended or suggested modifications of the tariff.

1 **Q. DO YOU HAVE ANY GENERAL COMMENTS CONCERNING THIS**
2 **APPLICATION?**

3 **A.** Yes, AM-TEL South Carolina, LLC. is a limited liability company formed
4 under the laws of the State of Georgia. The Office of the Secretary of State
5 of South Carolina has issued a Certificate of Authorization to AM-TEL South
6 Carolina, LLC. to operate as a foreign limited liability company within the
7 State of South Carolina. AM-TEL South Carolina, LLC. plans to offer service
8 immediately upon the establishment of the appropriate resale arrangements
9 with the incumbent local exchange carriers. The Application states that AM-
10 TEL South Carolina, LLC. will provide local exchange service on a statewide
11 basis.

12 **Q. HAS THE APPLICANT REQUESTED WAIVERS OF ANY OF THE**
13 **COMMISSION'S REGULATIONS AND REQUIREMENTS?**

14 **A.** Yes. In its Application AM-TEL South Carolina, LLC has requested waivers
15 of several of the Commission's regulations and requirements. The Applicant
16 requests that it be allowed to use Generally Accepted Accounting Principles
17 (GAAP) in lieu of the Uniform System of Accounts (USOA) for
18 telecommunications carriers. In addition, the Applicant seeks a waiver from
19 the Commission's regulations, which require publishing and distributing
20 telephone directories and from reporting requirements.

21 **Q. DO YOU HAVE RECOMMENDATIONS CONCERNING THE REQUESTED**
22 **WAIVERS?**

23 **A.** Yes. Other applicants requesting authority to provide local exchange
24 services have customarily requested similar waivers. The Staff does not
25 object to the Commission granting the request of AM-TEL South Carolina,
26 LLC. to use Generally Accepted Accounting Principles (GAAP) in lieu of the
27 Uniform System of Accounts (USOA). However, Staff recommends that the
28 Company maintain South Carolina specific financial information so that the
29 Company can readily report to the Commission required annual intrastate
30 financial information. The Applicant has also requested a waiver of the

1 requirement to publish and distribute directories. The Company will contract
2 with the incumbent local exchange carriers (ILECs) to have its customers
3 listed in the ILECs' directories and to distribute telephone directories to its
4 customers, therefore, Staff has no objection to the Applicant's request for
5 waiver of 26 S.C. Code Ann. Regs. 103-631 (Supp.1999). In regard to the
6 Applicant's request for waiver of the Commission Regulations concerning
7 reporting requirements, the Staff recommends the denial of this requested
8 waiver. Generally, Staff's position is that reporting requirements provide the
9 Staff with necessary information to compare and contrast regulated utilities.
10 Additionally, Staff will also need reports to assess the quality of service
11 provided by the Company as required by S.C. Code Ann. Section 58-9-280
12 (B)(2) (Supp.1999). Furthermore, in the future the Company can always
13 request that the Commission waive specific reporting requirements, should
14 compliance introduce unusual hardship or difficulty.

15 **Q. DO YOU HAVE ANY RECOMMENDATIONS CONCERNING THE**
16 **COMPANY'S PROPOSED TARIFF?**

17 **A.** Yes. The illustrative tariff filed with the Application contains terms that are
18 generally consistent with this Commission's Rules and Regulations
19 governing telecommunications utilities. I am, however, recommending
20 language changes within the tariff, with suggested changes described in
21 Exhibit EC-I.

22 **Q. HAVE YOU REVIEWED THE TESTIMONY OF BENNIE E. HEWETT?**

23 **A.** Yes.

24 **Q. WHAT IS STAFF'S POSITION REGARDING THE COMPANY'S REQUEST**
25 **FOR A WAIVER OF 26 S.C. CODE ANN. REGS. 103-633 (SUPP. 1999)?**

26 **A.** It is Staff's position that the Company should be required to provide
27 customers with a separate five day written notice prior to terminating service
28 for non-payment of a bill. The additional five day written notice is necessary
29 to alert the customer that his payment is delinquent. This same request was
30 made in a previous case by Go-Tel. The Commission denied Go-Tel's

1 request for waiver by way of Order No. 98-105. Therefore, it is Staff's
2 position that AM-TEL be instructed to provide customers with a separate five
3 day written notice to comply with the requirements of 26 S.C. Code Ann.
4 Regs. 103-633 (Supp. 1999). AM-TEL also requests that the Commission,
5 at a minimum, waive the portion of 26 S.C. Code Ann. Regs. 103-633 (Supp.
6 1999) which allows for disconnection of service only on Monday through
7 Thursday. 26 S.C. Code Ann. Regs. 103-633 (Supp. 1999) allows for
8 disconnection of service on days other than Monday through Thursday if the
9 company has made provisions to have someone available to accept
10 payment and reconnect service. Therefore, it is Staff's position that
11 Regulation 103-633 allows for disconnection on days other than Monday
12 through Thursday upon certain conditions being met, and therefore this
13 section of the regulation should not be waived.

14 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

15 **A.** Yes it does.
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AM-TEL SOUTH CAROLINA, LLC

DOCKET NO. 2000-457-C

Application for a Certificate of Public Convenience and Necessity to Provide Local Telecommunications Services.

Summary of Staff Review

GENERAL INFORMATION:

AM-TEL South Carolina LLC is a Georgia Corporation. The Applicant has received a Certificate of Authorization from the Office of the South Carolina Secretary of State to do business in South Carolina. AM-TEL South Carolina LLC seeks to provide local exchange services. The Applicant has requested waivers of the Commission's regulations.

APPLICATION

1. Page 13 – Number VI (1-a) – Request exemption from any record keeping rules and regulations that might require a carrier to maintain its financial records in conformance with the Uniform System of Accounts (USOA).
2. Page 14 - Number VI (2) – Request exemption from publication and distribution of local directories.
3. Page 14 – Number VI (3) – Request waivers of any reporting requirements which, although applicable to incumbent local exchange carriers are not applicable to competitive carriers such as AM-TEL South Carolina LLC because such requirements are not consistent with the demands of the competitive market and constitute an undue burden on a competitive carrier.

SERVICES TARIFF:

1. Page 8 – Section 2.1.3.1 – Regulations – This paragraph states, "Billings shall be mailed on the 25th day of each month for the following month's service and shall be due on the first day of the next month. Service will be discontinued if a Customer's account is not paid in full by the 6th day of the month following the mailing as aforesaid." 26 S.C. Code Ann. Regs. 103-633 (Supp. 1999) states, "Service may be terminated for non-payment of bill, provided that the telephone utility has made a reasonable attempt to effect collection and has given the customer written notice that he has five days to make settlement on his account or have his service disconnected." Staff would recommend modification of this section of the tariff so that it complies with 26 S.C. Code Ann. Regs. 103-633 (Supp. 1999).
2. Page 9 – Section 2.1.3.4 – This paragraph states, "This tariff shall be interpreted and governed by the laws of the State of Georgia." Staff would recommend modification of this section of the tariff to change the word "Georgia" to "South Carolina".

3. Page 18– Section 2.5.1 – Disputed Bills – Paragraph 2.9.1 – This paragraph discusses methods of handling disputed bills. For purposes of uniformity, the Staff recommends this section be amended to be consistent with 26 S.C. Code Ann. Regs. 103-623 (Supp. 1999) – Adjustment of Bills.
4. Page 18 – Section 2.5.1.1 – Taxes – This paragraph discusses the various taxes for which a customer shall be responsible. One of these taxes is the gross receipts tax. A Commission policy is that gross receipt taxes billed by or on behalf of the Commission will not be flowed through to customers. Staff recommends that gross receipt taxes be removed from the listing contained in this paragraph.
5. Page 18 – Section 2.5.2.1 – Billing and Collection of Charges - This paragraph indicates that charges are due and payable on the calendar day of each month on which service was originally established and shall be delinquent 6 days after said date (or the following day if the 6th day falls on a Sunday or Federal Holiday). Staff recommends modification of this section of the tariff so that it complies with 26 S.C. Code Ann. Regs. 103-633 (Supp.1999).
6. Page 19 – Section 2.5.5.3 – Deposits - This paragraph indicates that the amount of the deposit should not exceed two and one-half month's actual or estimated monthly billings. The two and one-half months billings exceeds requirements of the Commission. 26 S.C. Code Ann. Regs. 103-621.2(A) states, "For a new customer, a maximum deposit may be required up to an amount equal to an estimated (2) MONTHS (60 DAYS) total bill (including toll and taxes). For an existing customer, a maximum deposit may be required up to an amount equal to the total actual bills for the highest two (2) consecutive months within the preceding six (6) months". Staff would recommend that the Company amend this paragraph to conform to 26 S.C. Code Ann. Regs. 103-621.2(A).
7. Page 19 – Section 2.5.6.1 – Discontinuance of Service – This paragraph states, "Company will provide a written or verbal notice within five (5) days before terminating service." Staff would recommend that the Company amend this paragraph to conform to 26 S.C. Code Ann. Regs. 103-633 (Supp. 1999).
8. Page 20 – Section 2.5.6.4 - Discontinuance of Service – This paragraph indicates that the Company may immediately discontinue or suspend service for any customer who files for bankruptcy or reorganization or fails to discharge an involuntary petition therefore within the time permitted by law. This is not a reason for discontinuance of service according to 26 S.C. Code Ann. Regs. 103-625 (1976 and Supp. 1999) and this section of the tariff may be inconsistent with applicable federal law (11 U.S.C.A. Section 366). Staff would recommend the removal of this paragraph and suggest that the Company consider the replacement of this Section of its Tariff with 26 S.C. Code Ann. Regs. 103-625 (1996) (Supp. 1999).
9. Page 21 – Section 2.5.6.6.2 - Discontinuance of Service – This paragraph indicates that discontinuance of service will take place "immediately, upon written notice to a Customer who has failed to pay any sum within five (5) days when payment was due." Staff would recommend that the Company amend this paragraph to conform to 26 S.C. Code Ann. Regs. 103-633 (Supp. 1999).